Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

COME-00 EB-07 LAB-04 SIL-01 OMB-01 TRSE-00 /069 W ------ 040497

R 251728Z FEB 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 8244

INFO AMEMBASSY BERLIN

USMISSION USBERLIN

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

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E.O. 11652: N/A TAGS: PINT, GW

SUBJECT: CONTINUED PRESSURE ON BONN COALITION

REF: BONN 0468

SUMMARY: WHILE THE PUBLIC ACRIMONY BETWEEN THE BONN COALITION PARTNERS HAS QUIETENED DOWN IN THE LAST FEW WEEKS, THE FUNDAMENTAL PROBLEMS REMAIN. THE TWO ISSUES WHICH ARE THE MOST TROUBLESOME TO THE SPD/FDP COALITION AT THE PRESENT TIME ARE THE REFORM OF THE APPRENTICESHIP SYSTEM ("BERUFSBILDUNG") AND WORKER CODETERMINATION IN INDUSTRY ("MITBESTIMMUNG"). HOWEVER, THE PROBLEMS OF THE RELATIONS BETWEEN THE COALITION PARTNERS RUN DEEPER THAN THE DIFFERENCES ON LIMITED OFFICIAL USE

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THESE SPECIFIC ISSUES AND REFLECT UNCERTAINTY ON THE

PART OF THE FDP AS TO HOW TO INSURE THE PARTY'S SURVIVAL AT THE POLLS. THE MAY 4 NORTH RHINE-WEST-PHALIAN (NRW) ELECTIONS AND THE ABILITY TO REACH A COMPROMISE ON THESE ISSUES WILL HAVE A SIGNIFICANT EFFECT UPON THE SOCIAL-LIBERAL COALITION. END SUMMARY

- 1. FOLLOWING FDP SECRETARY GENERAL BANGEMANN'S ULTI-MATUM TO THE SPD LAST JANUARY CONCERNING A COMPROMISE "MITBESTIMMUNG" BILL (REFTEL), THE MEDIA WAS FULL OF CHARGES AND COUNTERCHARGES. NOT SURPRISINGLY. THE ATMOSPHERE IN BONN WAS ALSO STRAINED. SINCE THEN, HOWEVER, CHANCELLOR SCHMIDT AND VICE-CHANCELLOR GENSCHER HAVE BEEN SUCCESSFUL IN DAMPENING DOWN THE PUBLIC DEBATE EVEN THOUGH THE PHILOSOPHICAL AND PRACTICAL DIFFERENCES BETWEEN THE TWO PARTIES ON THESE ISSUES REMAIN UNRESOLVED. THE SITUATION IS FURTHER CHARGED BY THE FACT THAT THE SPD BELIEVES THAT THE LIBERALS ARE BACKING AWAY FROM THE COMPROMISE BILL THEY HAD ORIGINALLY AGREED TO. THE FDP CLAIMS (AT LEAST IN PRIVATE) THAT THE ORIGINAL COMPROMISE WAS A CONCESSION BY THEN PARTY CHAIRMAN SCHEEL IN RETURN FOR THE SPD'S SUPPORT OF HIS ELECTION TO THE FEDERAL PRESIDENCY AND AS SCHEEL IS NO LONGER FDP LEADER. THE LIBERALS CLAIM THE COMPROMISE AGREEMENT IS NO LONGER BINDING.
- 2. THE "BERUFSBILDUNG" REFORM DISAGREEMENT CENTERS AROUND THE QUESTION OF THE ADMINISTRATION AND FINANCING OF THE APPRENTICESHIP PROGRAM WITH THE LIBERALS--BELIEVING THEIR POSITION REFLECTS THE MAJORITY OF PUBLIC OPINION--TAKING A MORE CONSERVATIVE AND FRUGAL POSITION THAN THE SPD. THE ISSUE IS FURTHER COMPLICATED BY A DRAMATIC INCREASE IN YOUTH UNEMPLOYMENT WITHIN THE FEDERAL REPUBLIC AND THE PERSONALIZATION OF THE DISPUTE AS A FRIDERICHS (FDP VICE-CHAIRMAN AND POTENTIAL RIVAL TO GENSCHER) VERSUS ROHDE (SPD MINISTER OF EDUCATION) QUARREL. THERE IS ALSO THE FEELING ON THE PART OF SOME FDP INSIDERS THAT UNTIL RECENTLY THE LIBERALS HAD MADE MOST OF THE CONCESSIONS TO THE SPD IN THE COALITION AND NOW IT IS TIME FOR LIMITED OFFICIAL USE

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THE SOCIAL DEMOCRATS TO BE MORE FORTHCOMING.

3. THE DIFFERENCES BETWEEN THE COALITION PARTNERS ARE NOT ONLY IDEOLOGICAL BUT ALSO REFLECT THE FDP'S INSECURITY ABOUT THE PARTY'S FUTURE. THE LIBERALS' WILLINGNESS TO TAKE ON THEIR BIGGER PARTNER AND ENDANGER THE BONN COALITION IS BASED ON TWO ASSUMPTIONS: (A) THE SPD WILL NOT CHANCE BREAKING UP THE

COALITION BEFORE THE 1976 BUNDESTAG ELECTIONS, AND
(B) TOO CLOSE IDENTIFICATION WITH THE SOCIAL DEMOCRATS
IN THE PAST (THE SO-CALLED PROFILE PROBLEM) WAS
RESPONSIBLE FOR LIBERAL DECLINE AT THE POLLS IN RECENT
ELECTIONS AND IS A THREAT TO THE PARTY'S CONTINUED
EXISTENCE. ONE OF GENSCHER'S PERSONAL ASSISTANTS
DESCRIBED THE FDP PREDICAMENT TO AN EMBASSY OFFICER
AS A SITUATION IN WHICH EVERY DECISION HAS TO BE MADE
IN LIGHT OF HOW IT IS LIKELY TO AFFECT THE SURVIVAL OF

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COME-00 EB-07 LAB-04 SIL-01 OMB-01 TRSE-00 /069 W ------ 039942

R 251728Z FEB 75

FM AMEMBASSY BONN

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THE PARTY ("ALLE ENTSCHEIDUNGEN SIND EXISTENZFRAGEN"). AS A CONSEQUENCE, DECISIONS ARE MADE ON THE BASIS OF

HOW THEY ARE LIKELY TO HELP OR HINDER THE FDP IN SPECIFIC ELECTIONS (E.G., NORTH RHINE-WESTPHALIA).

4. WORKING IN FAVOR OF COMPROMISES ON "MITBESTIMMUNG" AND "BERUFSBILDUNG" IS THAT BOTH PARTIES ARE COMMITTED TO THESE REFORMS AND DO NOT WISH TO GO INTO THE ELECTIONS WITHOUT HAVING FULFILLED THEIR CAMPAIGN PLEDGES. IN ADDITION, BOTH SCHMIDT AND GENSCHER (UNLIKE SOME OF HIS COLLEAGUES) ARE INTERESTED IN AVOIDING A HARDENING OF POSITIONS WHICH COULD ENDANGER THE BONN COALITION. AT THE SAME TIME, HOWEVER, SOME OF THE PERSONALITIES LIMITED OFFICIAL USE

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INVOLVED, ON BOTH SIDES, HAVE INVESTED THEIR PERSONAL PRESTIGE ON THE OUTCOME, THUS MAKING COMPROMISES MORE DIFFICULT

5. SCHMIDT AND GENSCHER BELIEVE THAT THE BEST POLITICAL STRATEGY IS TO REMAIN CALM, WEATHER THE STORMS OF THE 1975 LAENDER ELECTIONS, AND PRESERVE THE SOCIAL-LIBERAL COALITION THROUGH THE 1976 BUNDESTAG ELECTIONS WHEN THEY HOPE THE INTERNAL POLITICAL AND ECONOMIC PICTURE WILL BE MORE FAVORABLE. IN THE MEANTIME, BOTH PARTIES WILL KEEP AN EYE ON THE ELECTIONS IN BERLIN (WHERE THE FDP IS PLEDGED TO A COALITION WITH THE SPD) AND IN RHINELAND-PALATINATE (WHERE THE FDP HAS OFFERED TO GO INTO A COALITION WITH THE CDU IN THE UNLIKELY CASE THAT THE UNION DOES NOT OBTAIN AN ABSOLUTE MAJORITY). THE KEY, HOWEVER, REMAINS THE NORTH RHINE-WESTPHALIAN ELECTION ON MAY 4. THE COALITION PARTNERS HOPE THAT COMPROMISES CAN BE WORKED OUT ON "MITBESTIMMUNG" AND "BERUFSBILDUNG" AND THAT DRAFT BILLS CAN BE SUBMITTED TO THE BUNDESTAG BEFORE THE NRW ELECTION. WITH THESE TWO BONES OF CONTENTION OUT OF THE WAY, EVEN IF THE CDU TAKES OVER THE REIGNS OF GOVERNMENT IN DUSSELDORF THE SOCIAL-LIBERAL COALITION IN BONN COULD ENDURE

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AND WORK IN TANDEM IN PREPARING FOR THE 1976 BUNDESTAG ELECTIONS. ONE QUALIFICATION IS IN ORDER. IF THE FDP FELL BELOW THE FIVE PERCENT MARK IN NRW (AND THUS FAILED TO BE REPRESENTED IN THE NEW STATE PARLIAMENT), THE SHOCK EFFECT WITHIN THE PARTY WOULD BE SEVERE. UNDER THESE CIRCUMSTANCES, THE SITUATION IN THE FDP MIGHT BECOME SO UNCERTAIN AS TO PUT IN QUESTION THE CONTINUED EXISTENCE OF THE BONN COALITION. HILLENBRAND

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: PARTY ALLIANCE, LEGISLATIVE BILLS, NEGOTIATIONS

Control Number: n/a Copy: SINGLE Draft Date: 25 FEB 1975 Decaption Date: 01 JAN 1960 Decaption Note: Disposition Action: RELEASED Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BONN03160

Document Number: 1975BONN03160
Document Source: CORE
Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: N/A Errors: N/A

Film Number: D750066-0602

From: BONN

Handling Restrictions: n/a

Image Path:

Legacy Key: link1975/newtext/t19750216/aaaaaocg.tel Line Count: 220

Locator: TEXT ON-LINE, ON MICROFILM

Office: ACTION EUR Original Classification: LIMITED OFFICIAL USE

Original Handling Restrictions: n/a Original Previous Classification: n/a

Original Previous Handling Restrictions: n/a

Page Count: 5

Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE

Previous Handling Restrictions: n/a Reference: 75 BONN 0468

Review Action: RELEASED, APPROVED Review Authority: MorefiRH

Review Comment: n/a Review Content Flags: Review Date: 21 MAY 2003

Review Event:

Review Exemptions: n/a
Review History: RELEASED <21 MAY 2003 by ifshinsr>; APPROVED <21 MAY 2003 by MorefiRH>

Review Markings:

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JÚL 2006

Review Media Identifier: Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: CONTINUED PRESSURE ON BONN COALITION TAGS: PINT, GE
To: STATE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006